

Top Secret

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NATIONAL INTELLIGENCE DAILY CABLE

Monday June 28, 1976 CI NIDC 76-151C

DIA review(s) completed.

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NATIONAL SECURITY INFORMATION
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National Intelligence Daily Cable for Monday, June 28, 1976.

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The NID Cable is for the purpose of informing senior US officials.

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PORTUGAL

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Portuguese army chief Antonio Ramalho Eanes won a landslide victory over his three opponents in the presidential election yesterday. There will be no need for a run-off election.

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Eanes won more than 60 percent of the vote. Far left candidate Otelo de Carvalho placed second with about 17 percent and Prime Minister Azevedo received some 14 percent. Communist Party candidate Octavio Pato was fourth with 8 percent.

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Eanes had the backing and organizational assistance of the three major political parties--the Socialists, the centrist Popular Democrats, and the conservative Social Democratic Center. Together, these parties accounted for 75 percent of the vote in the legislative election in April. Eanes received less than that amount in part because of the low voter turnout yesterday; about 73 percent of the voters went to the polls as compared with 83 percent in April.

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Some voters were unsure of Eanes' political views. The army chief has generally been considered to be conservative, and much of his campaign rhetoric advocated a return to law and order and solving Portugal's serious economic problems through hard work by all citizens.

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At the same time, however, Eanes endorsed a Portuguese brand of socialism and agrarian reform policies that raised suspicions among more conservative party and military backers. Despite some defections from the Popular Democrats and the Social Democratic Center, the parties decided there was no better candidate.

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The parties believe Eanes has the best chance to maintain discipline in the military during his five-year term and to ensure the support of the armed forces for Portugal's still fragile democratic institutions.

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[redacted] Carvalho apparently picked up as much as half of the votes that had gone to the Communist Party in the election in April. Carvalho reportedly matched Eanes' vote in several left-ist strongholds in the south, but Eanes pulled 70 to 90 percent of the votes in many districts in the more conservative north.

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USSR-POLAND

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[] Poland apparently was quiet over the weekend in the wake of the regime's retraction on Friday of the sharp food price hikes proposed the day before.

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[] Polish television on Saturday night did acknowledge that "hooligans" had looted factories and shops in two cities near Warsaw, but asserted that workers were holding rallies in support of the government and party chief Gierek throughout the country and that telegrams criticizing the looters were pouring into party headquarters.

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[] The Polish news agency, in an English-language release, has cited a large number of Western media commentaries on the economic necessity of the price increases now deferred. Among the media of Poland's allies, only Bulgarian radio's domestic service appears to have noted the Polish acknowledgement of unrest.

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[redacted] Radio Moscow's domestic service confined itself to reporting that Warsaw had decided to "reanalyze" the "problem" of price increases as a result of "discussions" throughout the country. [redacted]

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SEYCHELLES

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[redacted] The Seychelles, a British crown colony in the Indian Ocean, becomes independent at midnight. The archipelago, with a population of 60,000 on some 80 islands, has had internal self-government since 1967.

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[redacted] Under the independence agreement negotiated last winter, three small islands that London detached from the Seychelles in 1965 and included in the British Indian Ocean Territory are being returned to the Seychelles.

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[redacted] The new nation starts off with a two-party coalition government headed by 37-year-old James Mancham, who has been prime minister and will now become president. He retains control of foreign affairs and the small police force.

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[redacted] Mancham founded the dominant Seychelles Democratic Party in 1964; it mostly represents the interests of the country's established groups, especially its "first families." Despite a well-deserved reputation as a playboy, Mancham has demonstrated considerable political skill, proving himself particularly adept at pre-empting popular issues from his political opponents.

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[redacted] The head of the junior party in the coalition, 40-year-old France Albert Rene, will become prime minister. As opposition leader before the coalition was formed last year, Rene forced the pace of independence. His party, the Seychelles People's United Party, has strong labor support and is leftist in orientation.

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[redacted] The Seychelles will maintain close ties with the UK. It will become a member of the Commonwealth and will be the recipient of considerable British aid, including budgetary support and technical assistance.

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[redacted] The new government also hopes to retain its links with Paris. France once ruled the islands, and French cultural influence is still strong, especially among the numerically dominant Creoles.

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[redacted] Relations between the US and the Seychelles government have been good.

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[redacted] US naval ships have visited the capital, and a few US Peace Corps volunteers assist in educational and agricultural projects. A US consulate was opened in May.

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[redacted] Both the Soviets and the Chinese will probably try to gain influence in the Seychelles by providing limited financial or technical assistance and establishing small diplomatic missions.

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[redacted] Seychelles officials have visited Moscow and Peking, and a Soviet delegation has visited the islands. Mancham is likely to remain wary of the Soviets, however, because of support they have provided to Rene's party.

Domestic Scene

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[redacted] The drive for independence gained momentum in 1971, when Rene aggressively took up the cause with political assistance from the Organization of African Unity. Mancham and his party had advocated continued crown colony status, but came out in favor of independence just before the 1974 elections.

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[REDACTED] In the election, Mancham's Democratic Party received 52 percent of the vote, but won 13 of the 15 seats in the legislative assembly. Rene's People's United Party won over 47 percent of the popular vote, but lost three of its five seats. The incongruous result created considerable resentment among opposition activists, who staged violent demonstrations.

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[REDACTED] Despite their differences, Mancham and Rene agreed at constitutional talks in London last year to an interim constitution and to the formation of a coalition cabinet of eight members from the Democratic Party and four from Rene's group. They also agreed that each party would name five new members to the legislature. Mancham apparently made the concessions to avert a walk-out by Rene that might have delayed independence.

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[REDACTED]

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[REDACTED] Rene and other leaders of the People's United Party, for their part, are probably not reconciled to their minority role. They may push for a greater voice in government or for early elections. [REDACTED]

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RHODESIA

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[REDACTED] Mozambican troops apparently are taking more aggressive action against Rhodesian security forces in response to crossborder operations by the Rhodesians.

[REDACTED]

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[REDACTED] Earlier this month, the Mozambicans fired mortars and rockets across Rhodesia's southeastern border on three separate occasions. At least one of the attacks provoked a retaliatory Rhodesian air strike on Mozambican territory.

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[REDACTED] Last Friday some 250 white settlers met at Chipinga, near the southeastern border, to demand that Rhodesian government leaders take stronger measures to stop rocket attacks from Mozambique. The Rhodesian defense minister reportedly told the settlers that retaliatory strikes into Mozambique might be stepped up.

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YUGOSLAVIA: European Communist Meeting

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[redacted] Yugoslav President Tito has decided to participate in the European Communist Party Conference in East Berlin on Tuesday and Wednesday, his first participation in such a meeting. He undoubtedly hopes that the conference will formally vindicate his once-heretical views on "separate roads" to Communism.

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[redacted] As late as June 7, Tito reportedly did not plan to attend the conference. Soviet concessions, made after Soviet party secretary Katushev's talks in Belgrade, apparently led Tito to believe that his own independent position in the movement would finally be accepted at a multiparty forum.

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[redacted] Several recent accounts of conference preparations suggest that Moscow has abandoned its efforts to reassert leadership of the movement at the conference.

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[redacted] The Soviets have alternated between conciliation and toughness throughout the preparations. Tito's decision to risk his prestige by going to East Berlin suggests that he believes Moscow will not raise controversial substantive issues. If it does, however, Tito and his delegation will not sit by passively.

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[redacted] Tito and General Secretary Brezhnev yesterday became the first foreign leaders to arrive in East Berlin for the conference. [redacted]

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INTERNATIONAL TIN COUNCIL

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[] The International Tin Council, now meeting in London, is likely to agree on a new accord designed to stabilize prices and supplies through management of a buffer stock, but not until Bolivia gives its reluctant approval. Enough votes for a new agreement appear to be available from consumer countries, but Bolivia is needed for the required number of producer-country votes.

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[] Because Bolivia--the world's second largest tin producer--has a generally inefficient, high-cost industry, often plagued by strikes, it is agitating for high prices. Bolivia also opposes the tin council's voting system and, in particular, the heavy voting strength of the US among the consumers.

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[] Some major producers, such as Malaysia, probably welcome US participation. In the interest of maintaining high prices, they hope for continued US restraint in disposing of its huge tin stockpile.

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[] Although considerable wrangling is expected, compromise will probably smooth the resolution of the various issues--including the most contentious one, that of selecting a new Council head. It seems unlikely that Bolivia will bolt the organization as earlier threatened. []

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NEPAL-CHINA

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[] Peking went all out to make Nepalese King Birendra's recent visit to China a major success. He was the first foreign dignitary permitted to visit Tibet since the Chinese take-over there in 1959, and Premier Hua Kuo-feng and other high-level Chinese officials made the unprecedented gesture of flying to distant Szechwan Province to welcome the royal party.

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[] //The special treatment clearly reflects the effort the Chinese are making--in advance of the imminent arrival in Peking of the first Indian ambassador to China in 15 years--to reassure old friends in South Asia that Sino-Indian normalization will not proceed at their expense.//

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[redacted] //The Himalayan buffer states have always been a sensitive area in Sino-Indian relations, and Nepal, which has traditionally sought a middle path between its powerful neighbors and has relied on China as a source of some economic assistance, certainly qualifies for extra attention in this regard.//

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[redacted] //Peking undoubtedly also viewed the King's visit as a prime opportunity to strengthen indirectly the hand of those in Nepal who oppose Prime Minister Giri's pro-India foreign policy. The Chinese have been dismayed at the pro-India direction of Nepalese foreign policy since Giri assumed office late last year.

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[redacted] When Peking tendered its invitation, the King's advisers urged him to accept it as a way to balance Giri's trip to India; the King's decision was apparently taken without consulting the Prime Minister. Giri is rumored to have threatened to resign over what he saw as a campaign to sabotage his authority.

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[redacted] Even before the King's visit, rumors were circulating in Nepal that Giri was in bad odor and would be replaced by the end of the year, probably by former prime minister Bista.

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[redacted] Bista traveled to Peking in mid-May, intending to pay a private visit to relatives serving with the Nepalese embassy, but the Chinese afforded him all the protocol normally reserved for important foreign office holders. The Chinese enjoyed smooth relations with Nepal during Bista's earlier tenure as prime minister and may have been trying to boost his candidacy as Giri's replacement.

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